

appeared in the Congressional Record of March 27, 2017.

PN169 NAVY nomination of John J. Kitt, which was received by the Senate and appeared in the Congressional Record of March 27, 2017.

PN208 NAVY nominations (51) beginning JORGE R. BALARES, JR., and ending BRANDON M. ZOSS, which nominations were received by the Senate and appeared in the Congressional Record of April 4, 2017.

PN209 NAVY nomination of Mary E. Linnell, which was received by the Senate and appeared in the Congressional Record of April 4, 2017.

PN210 NAVY nominations (15) beginning SPENCER M. BURK, and ending BRIANNA S. WHITTEMORE, which nominations were received by the Senate and appeared in the Congressional Record of April 4, 2017.

PN211 NAVY nominations (5) beginning KIRK J. HIPPESTEEL, and ending JOHN M. RUGGERO, which nominations were received by the Senate and appeared in the Congressional Record of April 4, 2017.

PN213 NAVY nomination of Evita M. Salles, which was received by the Senate and appeared in the Congressional Record of April 4, 2017.

PN215 NAVY nomination of John P. H. Rue, which was received by the Senate and appeared in the Congressional Record of April 4, 2017.

PN284 NAVY nominations (30) beginning MICHAEL W. AMECHE, and ending JOSHUA J. WHITLOW, which nominations were received by the Senate and appeared in the Congressional Record of April 6, 2017.

PN285 NAVY nominations (3) beginning RACHEL E. CARTER, and ending KEVIN D. KEITH, which nominations were received by the Senate and appeared in the Congressional Record of April 6, 2017.

PN286 NAVY nominations (7) beginning MAUER BISCOTTI, III, and ending ADAM J. SUSMARSKI, which nominations were received by the Senate and appeared in the Congressional Record of April 6, 2017.

PN287 NAVY nomination of Donald V. Wilson, which was received by the Senate and appeared in the Congressional Record of April 6, 2017.

PN288 NAVY nomination of Michael A. Winslow, which was received by the Senate and appeared in the Congressional Record of April 6, 2017.

PN289 NAVY nominations (5) beginning HORACIO G. TAN, and ending DERRICK A. THOMAS, which nominations were received by the Senate and appeared in the Congressional Record of April 6, 2017.

PN290 NAVY nomination of Natalie C. O. Gilliver, which was received by the Senate and appeared in the Congressional Record of April 6, 2017.

PN291 NAVY nomination of John F. Sharpe, which was received by the Senate and appeared in the Congressional Record of April 6, 2017.

PN292 NAVY nomination of Reann S. Mommsen, which was received by the Senate and appeared in the Congressional Record of April 6, 2017.

## LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will now resume legislative session.

## RESERVATION OF LEADER TIME

The PRESIDING OFFICER. Under the previous order, the leadership time is reserved.

## CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

## EXECUTIVE SESSION

### EXECUTIVE CALENDAR

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to executive session to resume consideration of the Clayton nomination, which the clerk will report.

The senior assistant legislative clerk read the nomination of Jay Clayton, of New York, to be a Member of the Securities and Exchange Commission for a term expiring June 5, 2021.

The PRESIDING OFFICER. The Senator from Utah.

### TAX REFORM

Mr. HATCH. Mr. President, last Wednesday, the Trump administration unveiled the outlines of a tax reform plan, and, predictably, the plan has met with both praise and scorn from the usual sectors. Regardless of where the people might come down on the specifics of the President's plan, those who have been proponents of tax reform—hopefully those from both parties—should be pleased to see the President of the United States fully engaged in this effort.

For 6 years now, I have been beating the drum on tax reform. I have sought to make the case for reform here on the floor, in public forums and events, and in private conversations, and I haven't been alone. Indeed, Members from both parties have acknowledged the need to fix our broken tax system and have sought to move the ball forward on reform.

One thing I have said throughout this endeavor is that tax reform, if it is going to be successful, will require Presidential leadership, and that was not a political statement on my part. With those statements, I wasn't simply calling for the election of a Republican President; on the contrary, I repeatedly implored President Obama to engage with Congress on tax reform but really to no avail.

As of now, we finally have a President who is willing to lead in this effort. Once again, regardless of where anyone stands with regard to this President or the specifics of his tax plan, the fact that he is willing to meaningfully engage with Congress and the public on these issues should be viewed as a welcome sign for all tax reform advocates, regardless of their party affiliation.

With regard to the specifics of the outline, I believe the President has laid out a set of critical core principles that should hopefully serve as guideposts as the effort moves forward. Most importantly, the plan is designed, first and foremost, to grow the economy, and it would certainly do that.

In addition, the plan would greatly simplify the Tax Code to make it fair-

er, particularly for individuals and families, which has been a shared goal of tax reformers from both parties and from both sides of the aisle. For instance, over two-thirds of taxpayers take the standard deduction. Those taxpayers tend to be concentrated in the middle and lower income brackets. Under the President's plan, married couples would see the standard deduction doubled, so that they would not pay taxes on the first \$24,000 of income. It would reduce rates for both large and small businesses and job creators, which is also something both Republicans and Democrats have sought to accomplish in tax reform.

Overall, the President's tax plan would make our country more competitive in the international marketplace and reduce the tax burden on millions of middle-class families.

Clearly, as the effort moves forward, Congress and the administration will have to fill in the specifics. We will need to see how the numbers work out and where the votes are for any particular reform proposal. This is going to take some time, but, as the chairman of the Senate's tax-writing committee, I believe we can be ready to move in relatively short order. I intend to work closely with my colleagues on the Finance Committee, our leadership here in the Senate, leaders in the House, and, of course, the administration to finalize a reform package and get it across the finish line. The last major tax overhaul in the United States was more than 30 years ago, so we have a once-in-a-lifetime or once-in-a-generation opportunity in front of us, and I intend to do all I can to ensure that we make the most of it.

When I say "we," I am not simply referring to Republicans in Congress and the White House; I am referring to anyone who recognizes the problems in our current tax system and is willing to do the necessary work to fix those problems. My hope is that this will be a bipartisan exercise. By and large, Republicans appear ready and willing to work with the President to get tax reform done, and I am working to find some willing partners among my friends on the other side of the aisle.

I have said many times that tax reform should not have to be a partisan exercise. Our current tax system imposes undue burdens and undue hardships on Republican and Democratic voters alike. Therefore, both Republicans and Democrats in Congress should be willing to relieve these hardships, and, as I have stated here on the floor on numerous occasions, I am willing to work with anyone, Republican or Democrat, to make this effort successful.

That said, I haven't been all that encouraged by the rhetoric we are hearing from our friends on the other side of the aisle on these issues. Setting aside statements we have heard about the policies in the President's plan or

elsewhere, the Senate Democratic leadership at times seems bound and determined to ensure that no Member of their party engages on these issues.

Most recently, the Senate minority leader has insisted on two conditions before he will agree to work with Republicans on tax reform.

The first condition is that Republicans commit to not moving tax reform through the budget reconciliation process. This is an odd demand, one that is, quite frankly, unprecedented in the modern history of tax policy. Certainly, the reconciliation process makes it easier to move reform through Congress on a partisan basis, but, historically speaking, most major tax bills that have moved through reconciliation have had bipartisan support. There is no reason, if agreements are reached on policy, that Democrats could not agree to support a tax reform package moved through reconciliation, so taking it categorically off the table before discussions even begin seems, at best, counterintuitive.

History tells us that reconciliation need not be partisan. In fact, when Republicans have had control of both Houses of Congress and the White House, we have enacted tax reconciliation bills that have enjoyed some Senate Democratic support.

It is also worth noting that at various points in the recent past, Republicans have stayed at the negotiating table, participating in formal and informal discussions on major policy matters with reconciliation instructions in place and without any assurances that reconciliation would not be used. Are Democrats going to be more amenable to compromising on policy if reconciliation is not on the table? It is hard to see why that would be the case. Taking reconciliation off the table would really only make it easier for Democrats to prevent any kind of tax reform from passing.

So, essentially, what some of my Democratic colleagues are saying is that before they will even enter into talks on tax reform, they want us to ensure upfront that they will have the ability to block the bill once it is brought up. As I said, that is an odd demand, and not one you would expect to hear from someone who is willing to negotiate in good faith.

My colleagues' second precondition for working with us on tax reform is that President Trump release his tax returns. Like their first demand, this one makes me doubt whether the Senate Democratic leadership really wants to be constructive on tax reform. This is a political demand, pure and simple, likely poll-tested and focus-grouped to please the Democrats' base. I don't imagine this demand is really about uncovering conflicts of interest in tax reform. If it is, it is a horribly misguided strategy.

After all, if tax reform were to succeed, the President is only one small part of the equation. There are 435 Members of the House of Representa-

tives and 100 Senators, all of whom would be called upon to vote either for or against the tax reform bill, and whether a Member of Congress supports or opposes a particular bill, a conflict of interest could potentially influence that decision, just as one could theoretically influence a President's decision to sign or veto a bill. Yet I don't hear anyone from the other side of the aisle demanding the release of the tax returns of every Member of Congress before we can even start working on a bill. That has never been a prerequisite for working on tax legislation in the past, and it certainly should not be a prerequisite in the future.

In any event, despite these unreasonable demands, I will once again state that I am more than willing to work with my Democratic colleagues on tax reform, and I sincerely hope at least some of them will be willing to do so. I have been in the Senate for a while now. I think I have more than sufficiently demonstrated my willingness to put partisan differences aside and to reach across the aisle.

Make no mistake, I believe Republicans can move a tax reform package on a purely partisan basis. We have the procedural mechanism in place that would allow us to do that. But my strong preference would be to find a bipartisan pathway forward, and I hope that can be achieved.

Speaking more broadly, whether we move forward on a partisan or bipartisan basis, being successful on tax reform is going to require that we practice the art of the doable. There are a lot of ideas out there on tax reform and no shortage of competing interests. I have my own ideas and proposals that I have been working on for a number of years that I would like to see included in the final package. However, no idea should be considered more important than the broader goals of tax reform. That goes for my ideas and those of anyone else in Congress or in the administration.

There is a great deal of consensus among Republicans on the most important tax reform policies and principles. In fact, I would say we agree on roughly 80 percent of the key issues, which is a good starting point. I will not go into specifics today, but there are some high-profile items in the remaining 20 percent, and there are some differences of opinion regarding most of those items.

Bridging that gap and finding the path forward is going to take some serious negotiation and compromise. My hope is that people will be willing to adjust their expectations and bend on their preferences in order to achieve success in this very important endeavor. Speaking for myself, I can say that I would be willing to do so, and I have confidence that my colleagues who will also be playing leadership roles in this effort are similarly willing. Perhaps most importantly, I believe the President and his advisers in the adminis-

tration are willing to make the necessary compromises to finally make tax reform a success.

This is the closest we have been to success in tax reform in the past three decades. I hope both parties, both Chambers, both sides of Pennsylvania Avenue are up to that challenge.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. SCHUMER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### RECOGNITION OF THE MINORITY LEADER

The PRESIDING OFFICER. The Democratic leader is recognized.

#### GOVERNMENT FUNDING LEGISLATION

Mr. SCHUMER. Mr. President, late last night, due to the hard work and diligence of the staffs of the Appropriations Committees on both sides of the aisle in both Houses, the staff of the leadership, and so many others, we were able to come to a bipartisan agreement on a bill to fund the government through September. Most importantly, this agreement takes the threat of a government shutdown off the table. It is also a good agreement for the American people.

The bill ensures taxpayer dollars are not used to fund an ineffective border wall; it excludes over 160 poison pill riders; and it increases investments in programs that the middle class relies on, like education, infrastructure, and medical research.

It includes a permanent extension for health benefits for miners. Here, I want to praise—and I can't give enough praise—to the Senator from West Virginia, JOE MANCHIN, who was relentless even after disappointment after disappointment, at holding the Senate's feet to the fire and making sure this was done. Many miners can rest easy tonight—people who have worked so hard all their lives and had so much disappointment—because of JOE MANCHIN's work and what we put into the bill.

There is also funding to shore up Puerto Rico's Medicaid Program, and \$2 billion to help States like California, West Virginia, Louisiana, and North Carolina recover from recent natural disasters.

The bill also includes a significant increase in NIH funding, which deals with cancer research and the Cancer Moonshot that both President Obama and Vice President Biden pushed for and continues onward, and a restoration of year-round Pell grants that will benefit about 1 million students. College is often the ladder up for a lot of students, and this will help them stay on that ladder.

And the bill includes significantly increased funding for infrastructure, as well as funding to combat the scourge of opioid abuse which affects all parts

of the country—urban areas, suburban areas, rural areas. It affects the poor, the middle class, and the rich.

Good news: It protects 99 percent of the Environmental Protection Agency's budget so their quest to keep our water and air clean will be able to continue. It increases funding for clean energy research as well. That is one of the great hopes for jobs in this country, as our Senator from Washington, MARIA CANTWELL, constantly reminds us.

For my home State of New York, I was particularly pleased the agreement supports critical programs that are greatly needed and very popular in my State, like the Community Development Block Grant Program, which so many smaller cities depend on; the Great Lakes Restoration Initiative to get pollution out of all the Great Lakes, Lake Ontario and Lake Erie being on the shores of New York; and the vital TIGER Grant Program, which has done so much to support infrastructure, road building, and highways throughout my State and throughout America.

As I said, the bill explicitly precludes the use of any of this funding for a border wall. This is an idea that both parties rejected. A load of Congressmen and Senators on the Republican side have said that the wall doesn't make sense. In fact, you couldn't find one Republican on the border in the States of California, Arizona, New Mexico, and Texas who supported that wall. Why? Unlike the President's promise, Mexico is not paying for it. There is no plan for the wall. We don't even know where we would build it. The Secretary of the Interior, President Trump's appointee, said: We can't build it from the U.S. side because it cuts us off from the river. Mexico will not build on their side. Where are we going to build it? In the middle of the river? And, mainly, because it is not very effective—you can tunnel under a wall.

We all want to prevent the scourge of drugs from coming across our border; so many of them come in little planes and boats. When they come by land, they are often hidden in parts of cars, in the carburetor or the exhaust tank—hidden. They will be able to come through because the wall obviously is going to have portals in it where trucks and cars can go through. So there is no money for the border wall, not one plug nickel.

We do have money, of course, for border protection, which both parties have always supported, and comprehensive immigration reform. Senator McCain and I, in a bipartisan bill supported by 68 Members of this body, made sure we had very strong border protection. But it has to be smart, it has to be cost effective, and it has to work.

Early on in this debate, Democrats clearly laid out our principles and insisted there would be no poison pill riders in this bill. We were able to knock out more than 160 poison pill riders from the final agreement, including

the border wall, anti-labor measures that hurt the working people of America, and efforts to defund Planned Parenthood. So many women depend on these clinics for their health. And we were able to achieve significant investments in domestic programs that help the middle class and those struggling to get to the middle class.

Of course, this bill doesn't include all the things we wanted, but that is the nature of compromise. At the end of the day, this is an agreement that reflects our basic principles—something that both Democrats and Republicans can support. It took a few extra days, but we got a very good agreement.

I want to thank my friend, the majority leader, Senator MCCONNELL. He worked very hard to get a good bill. I thank the chairmen and ranking members of the House-Senate Appropriations Committees, particularly Senator LEAHY from Vermont in our Chamber. I thank Speaker RYAN and Leader PELOSI and all of their staff for working so hard last week and over the weekend to forge an agreement.

I must tell you, and I must tell my colleagues, the negotiations between our two sides were consistently productive and always respectful. Throughout the process, both Republican and Democratic Members and staff negotiated in good faith because we all wanted to get something done. I believe this experience bodes well for the 2018 budget and future negotiations between our two parties on appropriations. If we can show the same desire to get things done—the same mutual respect, the same ability to compromise—we can get a darn good budget for the year 2018 without the specter of a government shutdown hanging over the country's head.

I wish to say one final thing. It shows that when our Republican colleagues are willing to work with us, we can get things done. All too often—particularly from the White House—this attitude is just do it our way, my way or the highway. That is what happened on the healthcare bill—no consultation with Democrats. That is what happened on this little tax plan.

When you don't do things in a bipartisan way, it is much harder to pass things. It is much harder to get a product that is at the consensus of where America is. I hope that not only will this successful negotiation on the 2017 appropriations bill be a model for the 2018 bill but a broader model that we can all work together to get things done for the country we love.

I expect we will vote on this bill later this week, and I believe it will receive overwhelming support in this Chamber.

I yield the floor.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRAPO. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mrs. ERNST). Without objection, it is so ordered.

Mr. CRAPO. Madam President, I rise today in support of Jay Clayton, who has been nominated to serve on the U.S. Securities and Exchange Commission. In the interest of time, I will save my longer remarks for later.

As demonstrated at the Banking Committee's nomination hearing, Mr. Clayton is eminently qualified to serve on the U.S. Securities and Exchange Commission, or the SEC.

He impressed both Republicans and Democrats and was voted out of committee on a bipartisan vote of 15 to 8. His extensive expertise and experience in our financial markets will be a benefit to the Commission and to the American people.

His testimony about the need to make our capital markets more attractive, which would rejuvenate their ability to invest in the United States and grow and create jobs, was well received. Additionally, he pledged to members of this committee and to the American people that he will show no favoritism to anyone.

While some have raised issues about his previous work potentially creating conflicts, Mr. Clayton is not new in this regard, nor will he be any less vigilant to ensure that he acts appropriately and ethically.

I will be supporting his nomination and look forward to having him at the SEC, where he can help protect and promote the success of our security markets and our investors.

I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. MORAN). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BARRASSO. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. All time is expired.

#### CLOTURE MOTION

Pursuant to rule XXII, the Chair lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

#### CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, do hereby move to bring to a close debate on the nomination of Jay Clayton, of New York, to be a Member of the Securities and Exchange Commission for a term expiring June 5, 2021.

Mitch McConnell, John Cornyn, Tom Cotton, Dan Sullivan, Shelley Moore Capito, John Barrasso, Roger F. Wicker, Mike Rounds, Orrin G. Hatch, Bill Cassidy, Pat Roberts, Mike Crapo, Lamar Alexander, Richard Burr, John Thune, Jerry Moran, James E. Risch.

The PRESIDING OFFICER (Mr. LANKFORD). By unanimous consent, the mandatory quorum call has been waived.

The question is, Is it the sense of the Senate that debate on the nomination

of Jay Clayton, of New York, to be a Member of the Securities and Exchange Commission for a term expiring June 5, 2021, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The assistant bill clerk called the roll.

Mr. CORNYN. The following Senators are necessarily absent: the Senator from Arizona (Mr. FLAKE), the Senator from Nevada (Mr. HELLER), and the Senator from Georgia (Mr. ISAKSON).

Mr. SCHUMER. I announce that the Senator from Illinois (Mr. DURBIN) is necessarily absent.

The PRESIDING OFFICER (Mr. CORNYN). Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 60, nays 36, as follows:

[Rollcall Vote No. 117 Ex.]

#### YEAS—60

Alexander	Gardner	Paul
Barrasso	Graham	Perdue
Bennet	Grassley	Portman
Blunt	Hassan	Risch
Boozman	Hatch	Roberts
Burr	Heitkamp	Rounds
Capito	Hoeben	Rubio
Carper	Inhofe	Sasse
Cassidy	Johnson	Scott
Cochran	Kennedy	Shaheen
Collins	King	Shelby
Corker	Lankford	Strange
Cornyn	Lee	Sullivan
Cotton	Manchin	Tester
Crapo	McCain	Thune
Cruz	McCaskill	Tillis
Daines	McConnell	Toomey
Enzi	Moran	Warner
Ernst	Murkowski	Wicker
Fischer	Nelson	Young

#### NAYS—36

Baldwin	Franken	Murray
Blumenthal	Gillibrand	Peters
Booker	Harris	Reed
Brown	Heinrich	Sanders
Cantwell	Hirono	Schatz
Cardin	Kaine	Schumer
Casey	Klobuchar	Stabenow
Coons	Leahy	Udall
Cortez Masto	Markey	Van Hollen
Donnelly	Menendez	Warren
Duckworth	Merkley	Whitehouse
Feinstein	Murphy	Wyden

#### NOT VOTING—4

Durbin	Heller
Flake	Isakson

The PRESIDING OFFICER (Mr. HOEVEN). On this vote, the yeas are 60, the nays are 36.

The motion is agreed to.

The assistant majority leader.

### LEGISLATIVE SESSION

#### MORNING BUSINESS

Mr. CORNYN. Mr. President, I ask unanimous consent that the Senate be in a period of morning business, with Senators permitted to speak therein for up to 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

(At the request of Mr. SCHUMER, the following statement was ordered to be printed in the RECORD.)

#### VOTE EXPLANATION

• Mr. DURBIN. Mr. President, I was necessarily absent for the vote on the motion to invoke cloture on the nomination of Jay Clayton to be a Member of the Securities and Exchange Commission, Executive Calendar No. 36.

On vote No. 117, had I been present, I would have voted nay on the motion to invoke cloture on Executive Calendar No. 36.●

#### ARMS SALES NOTIFICATION

Mr. CORKER. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive prior notification of certain proposed arms sales as defined by that statute. Upon such notification, the Congress has 30 calendar days during which the sale may be reviewed. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Senate Foreign Relations Committee.

In keeping with the committee's intention to see that relevant information is available to the full Senate, I ask unanimous consent to have printed in the RECORD the notifications which have been received. If the cover letter references a classified annex, then such annex is available to all Senators in the office of the Foreign Relations Committee, room SD-423.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### DEFENSE SECURITY COOPERATION AGENCY, Arlington, VA.

Hon. BOB CORKER,  
*Chairman, Committee on Foreign Relations,  
U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b)(1) of the Arms Export Control Act, as amended, we are forwarding herewith Transmittal No. 17-07, concerning the Army's proposed Letter(s) of Offer and Acceptance to the Government of Kenya for defense articles and services estimated to cost \$253 million. After this letter is delivered to your office, we plan to issue a news release to notify the public of this proposed sale.

Sincerely,

J.W. RIXEY,  
*Vice Admiral, USN, Director.*

Enclosures:

#### TRANSMITTAL NO. 17-07

Notice of Proposed Issuance of Letter of Offer Pursuant to Section 36(b)(1) of the Arms Export Control Act, as amended

(i) Prospective Purchaser: Government of Kenya.

(ii) Total Estimated Value:  
Major Defense Equipment\* \$0 million.  
Other \$253 million.  
Total \$253 million.

(iii) Description and Quantity or Quantities of Articles or Services under Consideration for Purchase:

Major Defense Equipment (MDE): None.  
Non-MDE:  
Twelve (12) MD 530F Weaponized Aircraft.  
Twenty-four (24) Heavy Machine Gun Pod (HMP) 400 Systems.  
Twenty-four (24) M260 Rocket Launchers.  
Four thousand and thirty-two (4,032) M151 Rockets.

One thousand five hundred and thirty-six (1,536) 2.75-inch M274 Smoke signature Warhead Rockets.

Four hundred thousand (400,000) rounds of .50 Caliber Ammunition.

Also included is communications and navigation equipment, contractor logistics support, training, U.S. Government technical assistance, airframe and weapon system spare parts support, Contractor Field Service Representative (CFSR) support, and Special Airlift Assignment Mission (SAAM) flight delivery support.

(iv) Military Department: Army (UDQ).

(v) Prior Related Cases, if any: None.

(vi) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vii) Sensitivity of Technology Contained in the Defense Article or Defense Services Proposed to be Sold: None.

(viii) Date Report Delivered to Congress: May 1, 2017.

\*As defined in Section 47(6) of the Arms Export Control Act.

#### POLICY JUSTIFICATION

##### Kenya—MD 530 Aircraft

The Government of Kenya has requested a possible sale of twelve (12) MD 530F weaponized aircraft to include twenty-four (24) Heavy Machine Gun Pod (HMP) 400 systems; twenty-four (24) M260 rocket launchers; four thousand and thirty-two (4,032) M151 rockets; one thousand five hundred and thirty-six (1,536) 2.75-inch M274 smoke signature warhead rockets; and four hundred thousand (400,000) rounds of .50 caliber ammunition. Also included are communications and navigation equipment, contractor logistics support, training, U.S. Government technical assistance, airframe and weapon system spare parts support, Contractor Field Service Representative (CFSR) support, and Special Assigned Airlift Mission (SAAM) flight delivery support. The total estimated cost is \$253 million.

This proposed sale contributes to the foreign policy and national security of the United States by improving the security of a strong regional partner who is a regional security leader, undertaking critical operations against al-Shabaab, and a troop contributor to the African Union Mission in Somalia (AMISOM).

The proposed sale of the MD 530F helicopters, weapons, ammunition, support items and technical support will advance Kenya's efforts to conduct scout and attack rotary wing aircraft operations in support of their AMISOM mission. The MD 530F will also replace Kenya's aging MD500 fleet, which is the current reconnaissance platform supporting Kenyan ground forces. This sale will significantly enhance the Kenyan Army's modernization efforts and increase interoperability with the U.S. Armed Forces and other partners in the region. Additionally, a strong national defense and dedicated military force will assist Kenya in its efforts to maintain stability in East Africa.

Kenya will have no difficulty absorbing this equipment into its armed forces.

The proposed sale of this equipment and support will not alter the basic military balance in the region.

The principal contractor will be MD Helicopters, Mesa, AZ. There are no known offset agreements proposed in connection with this potential sale.

Implementation of this proposed sale will require the assignment of approximately twelve (12) additional contractor representatives in country for a period of 12 months.

There will be no adverse impact on U.S. defense readiness as a result of this proposed sale.